



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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July 26, 2004

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **STAR VIEW ADOLESCENT CENTER CONTRACT REVIEW**

We have completed a contract compliance review of Star View Adolescent Center (Star View or Agency), a Department of Mental Health Services (DMH) service provider. It included a review of the Agency's billings to DMH for November and December 2003. This review is part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

Background

The Department of Mental Health (DMH) contracts with Star View, a private, community-based organization, which provides services countywide to children and their parent(s). Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan. Our review focused on the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) service, which is Medi-Cal's comprehensive and preventive child health program for individuals under the age of 21. At Star View, the EPSDT billable services include Mental Health Services, Medication Support Services, Therapeutic Behavioral Services, Case Management (Brokerage), Day Treatment Intensive, and Psychiatric Health Facility. Star View has service delivery sites located in the First, Second, and Fourth Supervisory Districts. Its headquarters is located in the Fourth District.

For our review period, DMH paid Star View \$456.95 for each day that a client participated in its Psychiatric Health Facility program and \$171.75 for each day that a client participated in its Day Treatment program. DMH also paid between \$1.46 and \$3.48 per minute of staff time (\$87.60 and \$208.80 per hour) for other services. For Fiscal Year 2002-03, DMH paid Star View approximately \$15 million in EPSDT funds.

"To Enrich Lives Through Effective and Caring Service"

Purpose/Methodology

The purpose of the review was to determine whether Star View was providing the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service and staffing levels. Our monitoring visit included a review of a sample of Star View's billings, participant files, and personnel and payroll records. We also interviewed staff from Star View and interviewed a sample of the participants' parents, legal guardians, social workers or probation officers.

Results of Review

Star View used qualified staff to perform the services, and we received positive comments in our interviews with a sample of participants' parents, legal guardians, social workers or probation officers who stated the program services met their expectations. We also determined that participants were eligible to receive services.

However, Star View needs to improve its documentation of service minutes and service days billed to DMH. Specifically, we sampled 8,475 service minutes and 20 service days and noted that Star View did not maintain supporting documentation for 255 minutes billed to DMH. It also over-billed 612 minutes, because it did not reduce billed minutes for staff time allocated to other group participants. In addition, Star View billed twice for the same services resulting in 773 minutes of over-billings. After we informed Star View of the over-billings, it submitted correcting adjustments to DMH.

Star View also did not maintain sufficient documentation for 1,818 minutes billed and 10 days billed to DMH. For example, 753 minutes billed was for multiple staff, but the progress note did not include each staff person's name, code, and services rendered. For 655 minutes billed, the progress notes did not include the units of service, and for 763 minutes billed and 10 days billed, the progress notes did not include the activity code.

We recommend that Star View management strengthen its documentation controls to ensure that it can support all the services billed to DMH and meet the contract requirements. We have attached the details of our contract compliance review, along with recommendations for corrective action.

Review of Report

On June 14, 2004, we discussed the results of our review with Star View. In their attached response, Star View indicates that State and County DMH have previously accepted its method of documenting staff ratio requirements. However, we were unable to determine if Star View maintained the appropriate staffing ratios because two employee timecards tested reflected hours worked that were inconsistent with the hours of operation for the program.

To address the concerns raised in our report, Star View has developed a corrective action plan for each of our recommendations and included it in their response.

We thank Star View management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1122.

JTM:DR:DC

c: David E. Janssen, Chief Administrative Officer
Department of Mental Health
Dr. Marvin J. Southard, Director
Susan Kerr, Chief Deputy Director
John Hatakeyama, Deputy Director, Children's System of Care
Kent Dunlap, Executive Director, Star View
Violet Varona-Lukens, Executive Officer
Public Information Office
Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT
EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT SERVICE
FISCAL YEAR 2003-2004
STAR VIEW ADOLESCENT CENTER**

BILLED SERVICES

Objective

Determine whether Star View provided the services billed in accordance with their contract with DMH.

Verification

We sampled 8,475 service minutes from 868,666 service minutes that Star View billed DMH for November and December 2003. We also sampled 20 service days from 2,573 service days billed by Star View during the same period, and reviewed the participant files for documentation to support the services billed.

Results

Star View did not maintain supporting documentation for 255 minutes billed to DMH. It also over-billed 612 minutes, because it did not reduce billed minutes for staff time allocated to other group participants. In addition, Star View billed twice for the same services resulting in 773 minutes of over-billings. The Agency over-billed DMH approximately \$3,308 for these services. After we informed Star View of the over-billings, it submitted correcting adjustments to DMH.

Star View also did not maintain sufficient documentation for 1,818 minutes billed and 10 days billed to DMH. For example, 753 minutes billed was for multiple staff, but the progress note did not include each staff person's name, code, and services rendered. For 655 minutes billed, the progress notes did not include the units of service. For 763 minutes billed, and 10 days billed, the progress note did not include the activity code. The Agency billed DMH approximately \$6,634 for services that were not sufficiently documented.

Recommendation

- 1. Star View management maintain sufficient documentation to support its billings to DMH and implement controls to prevent duplicate billings and ensure proper allocation of staff time during group sessions.**

CLIENT VERIFICATION**Objectives**

Determine whether the program participants actually received the services that Star View billed DMH and whether participants were eligible to receive services.

Verification

We sampled 10 program participants and interviewed their parent, legal guardian, social worker or probation officer to confirm that the participants are clients of Star View and that they received the services that the Agency billed DMH. We also reviewed documentation in the participant files to determine whether participants were eligible to receive services.

Results

No exceptions. Each parent, guardian, social worker or probation officer we contacted indicated that his or her child was a client of Star View. Documentation in the case file supports the participants' eligibility. In addition, the individuals we contacted stated they were satisfied with the services that Star View provided their child.

Recommendations

There are no recommendations for this section.

STAFFING LEVELS**Objective**

Determine whether ratio requirements are consistent with the ratio requirements indicated in the County contract. Contractors are required to maintain a 1:8 ratio of the number of Qualified Mental Health Professional (QMHP) staff to the total number of clients in its Day Treatment Intensive Program. Persons who are not solely used to provide Day Rehabilitation services shall not be included as part of the ratio calculation. For its Psychiatric Health Facility, Star View is required to maintain 12 staff including two full-time equivalent QMHPs.

Verification

We selected 10 days that Star View billed for its Day Treatment Intensive Program and 10 days that Star View billed for its Psychiatric Health Facility and reviewed the staff schedule, logs, participant files, and staff timecards for November and December 2003.

Results

We verified that Star View maintained the required staffing ratio in its Day Treatment Intensive program for eight of 10 days reviewed. For the remaining two days, Star View's calculation of the required ratio includes two staff whose timecards indicate that they worked from 9:00 AM to 5:30 PM. However, Star View's Day Treatment Intensive program hours are from 3:00 PM to 8:30 PM. Star View management explained that the staff timecards do not accurately reflect their actual hours worked. Due to this discrepancy, we were unable to determine if Star View maintained the appropriate staffing ratios in its Day Treatment Intensive program for those two days.

We were also unable to determine if Star View maintains the appropriate staffing ratios in its Psychiatric Health Facility since the Agency does not document its compliance with the full-time equivalent staffing ratio requirements.

Recommendations

2. **Star View management ensure that employee timecards accurately reflect the hours worked.**
3. **Star View management ensure that it documents its compliance with full-time equivalent staffing ratio requirements for its Psychiatric Health Facility.**

STAFFING QUALIFICATIONS**Objective**

Determine whether Star View's staff meets the qualifications required by the DMH contract.

Verification

We selected 10 Star View treatment staff and reviewed each staff's personnel file for documentation confirming their qualifications. In addition, we reviewed the qualifications of each staff person that performed the service in our sample of billed services.

Results

No exceptions. Each staff sampled possessed the required education, work experience and licensure identified in DMH's contract.

Recommendations

There are no recommendations for this section.

SERVICE LEVELS

Objective

Determine whether Star View's reported services for July 2003 through December 2003 (FY 2003-04) did not significantly vary from planned service level of \$7.6 million.

Verification

We obtained a report of EPSDT billings from the State Explanation of Benefits report for July 2003 through December 2003 (FY 2003-04) and compared it with Star View's planned level of service identified in the contract for the same period.

Results

No exceptions. Our review of recorded payments by DMH disclosed that Star View achieved their planned service level. During the first six months of FY 2003-04, Star View's planned service level for providing all EPSDT funded services totaled approximately \$7.6 million. The actual service level paid was approximately \$7.4 million. However, as previously noted, the review identified issues concerning the adequacy of Star View's documentation to support the reported services.

Recommendations

Please refer to prior recommendations on service documentation.



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Alameda County

STARS Community Services
: San Leandro

Contra Costa County

STARS Community Services
: Richmond

Los Angeles County

Star View Adolescent Center
Star View Children and
Family Services
South Bay High School
Star View Community Services /
TEAMMATES
: Torrance
: Long Beach
: Highland Park
: Compton

Riverside County

Oasis Rehabilitation Center

San Bernardino County

Valley Star Children and
Family Services

Santa Clara County

Starlight Adolescent Center
Starlight CTF
Starlight High School
Starlight Community Services

J. Tyler McCauley
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July 22, 2004

Re: **Response to Contract Review**

Dear Mr. McCauley:

This is in response to the report of our contract review conducted in February of this year and covering client services during November and December of 2003. Our response is in regards to the following areas:

Supporting documentation: Our Intensive Day Treatment and Medication Support notes did not include the Activity Codes for those services. This has never been requested in prior State or County DMH reviews and audits because the documentation is clearly for these services.

Our Medication Support note does not include the minutes of service provided. This is because our psychiatrists indicate their minutes of service on a summary form used for billing. This has never been requested in prior State or County DMH reviews or audits.

Our Group Therapy notes indicate the name of the staff writing the note but not the names of other staff who may have also been in the group (though the number of staff in the group is indicated). The code number of each staff and what they did in the group was also requested. This has never been requested in prior State or County DMH reviews or audits.

We have made corrections to our Intensive Day Treatment, Medication Support, and Group Therapy forms to provide this information in the future.

Staffing Ratios: Regulations for our Psychiatric Health Facility (PHF) and Day Treatment Intensive (DTI) programs require specific minimum staffing. Our documentation of that staffing has been staff schedules and the contract for physician services, backed by the documentation of staff and physician services that exists in our client records. This documentation has been accepted as adequate by State and County DMH for licensing reviews, program reviews, MediCal certification, and audits during the 7 year history of our program.

July 22, 2004

The reviewers would not accept this proof of compliance. They suggested a sign in sheet for physicians and social work staff assigned to the PHF. For the DTI program, the reviewers required payroll documentation of specific hours worked by social worker staff, though we explained that these staff are exempt/salaried and not required to specifically document hours worked.

We have added our psychiatrists and social workers on the PHF to the staff schedule. Social workers payroll records will verify that they worked on those days. We will require that our psychiatrists include the hours and days they work on the PHF in their invoices to us. We have our social workers in DTI now documenting their specific hours worked.

Overbilling: All identified overbilling has been deleted in the DMH MIS system. Since the period of this audit (Nov.-Dec. of last year), we have added auditing and quality assurance staff and intensified our record review process. We have specifically addressed problems in how our group therapy and rehab services were documented.

For our Community Services programs, we have implemented Starbase, our automated medical record. This electronic record has significantly reduce billing errors, eliminates legibility problems, and facilitates quality review of documentation and services. We hope to add Starbase to our Adolescent Center (PHF and DTI) in the next few months. Star View produces over 4,000 billing notes each month for the over 1,000 clients we serve, so having a systems approach to assuring billing and documentation accuracy is essential to us.

In summary, this review was helpful in identifying some billing errors and opportunities to improve our documentation of services. We feel that there are multiple ways to demonstrate staffing ratios and that the reviewers requirements are not consistent with what has been required and accepted by our licensing body (State DMH) and MediCal certifying agency (LA County DMH).

On behalf of the Star View staff, I wish to thank the reviewers for their time and the collaborative manner in which they worked with us during and after the review.

Sincerely,

Kent Dunlap
Executive Director